

110TH CONGRESS
1ST SESSION

H. R. 2426

To require the Secretary of Energy to award funds to study the feasibility of constructing dedicated ethanol pipelines, to address technical factors that prevent transportation of ethanol in existing pipelines, and to increase the energy, economic, and environmental security of the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2007

Mr. BOSWELL (for himself, Mr. MORAN of Kansas, and Mr. SALAZAR) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To require the Secretary of Energy to award funds to study the feasibility of constructing dedicated ethanol pipelines, to address technical factors that prevent transportation of ethanol in existing pipelines, and to increase the energy, economic, and environmental security of the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Ethanol Infrastructure
5 Expansion Act of 2007”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) it is in the national interest to make greater
4 use of ethanol in transportation fuels;

5 (2) ethanol is a clean, renewable fuel that pro-
6 vides public health benefits in the form of reduced
7 emissions, including reduced greenhouse gas emis-
8 sions that cause climate change;

9 (3) ethanol use provides economic gains to agri-
10 cultural producers, biofuels producers, and rural
11 areas;

12 (4) ethanol use benefits the national security of
13 the United States by displacing the use of petro-
14 leum, much of which is imported from foreign coun-
15 tries that are hostile to the United States;

16 (5) ethanol can reduce prices at the pump for
17 motoring consumers by extending fuel supplies due
18 to the competitive cost of ethanol relative to conven-
19 tional gasoline;

20 (6) ethanol faces shipping challenges in pipe-
21 lines that transport other liquid transportation fuels;

22 (7) additional research and development can
23 provide solutions to overcome the barriers of ship-
24 ping ethanol in pipelines that transport other liquid
25 transportation fuels;

1 (8) currently ethanol is shipped by rail tanker
2 cars, barges, and trucks, all of which could, as eth-
3 anol production expands, encounter capacity limits
4 due to competing use demands for the rail tanker
5 cars, barges, and trucks;

6 (9) as the United States ethanol market ex-
7 pands in the coming years there is a need to evalu-
8 ate the feasibility and value for new construction of
9 dedicated ethanol pipelines to transport ethanol from
10 the Midwest, where ethanol generally is produced, to
11 the Eastern and Western United States;

12 (10) as of the date of enactment of this Act,
13 dedicated ethanol pipelines do not exist in the
14 United States and will be challenging to construct,
15 at least initially;

16 (11) ascertaining solutions to the technical bar-
17 riers of transporting ethanol in the existing pipeline
18 system is important because of the safety, reliability,
19 and cost savings pipeline transportation provides to
20 the public; and

21 (12) having an ethanol pipeline study completed
22 in the very near term is important because the con-
23 struction of 1 or more dedicated ethanol pipelines
24 would take at least several years to complete.

1 **SEC. 3. DEFINITION OF SECRETARY.**

2 In this Act, the term “Secretary” means the Sec-
3 retary of Energy.

4 **SEC. 4. FEASIBILITY STUDIES.**

5 (a) IN GENERAL.—The Secretary, in coordination
6 with the Secretary of Transportation, shall spend up to
7 \$1,000,000 to fund feasibility studies for the construction
8 of dedicated ethanol pipelines.

9 (b) CONDUCT OF STUDIES.—

10 (1) IN GENERAL.—The Secretary shall—

11 (A) through a competitive solicitation proc-
12 ess, select 1 or more firms having capabilities in
13 the planning, development, and construction of
14 dedicated ethanol pipelines to carry out the fea-
15 sibility studies described in subsection (a); or

16 (B) carry out the feasibility studies in con-
17 junction with such firms.

18 (2) TIMING.—

19 (A) IN GENERAL.—If the Secretary elects
20 to select 1 or more firms under paragraph
21 (1)(A), the Secretary shall award funding under
22 this section not later than 120 days after the
23 date of enactment of this Act.

24 (B) STUDIES.—As a condition of receiving
25 funds under this section, a recipient of funding
26 shall agree to submit to the Secretary a com-

1 pleted feasibility study not later than 360 days
2 after the date of enactment of this Act.

3 (c) STUDY FACTORS.—Feasibility studies funded
4 under this Act shall include consideration of—

5 (1) existing or potential barriers to dedicated
6 ethanol pipelines, including technical, siting, financ-
7 ing, and regulatory barriers;

8 (2) potential evolutionary pathways for the de-
9 velopment of an ethanol pipeline transport system,
10 such as starting with localized gathering networks as
11 compared to major interstate ethanol pipelines to
12 carry larger volumes from the Midwest to the East
13 or West coast;

14 (3) market risk, including throughput risk, and
15 ways of mitigating the risk;

16 (4) regulatory, financing, and siting options
17 that would mitigate risk in these areas and help en-
18 sure the construction of dedicated ethanol pipelines;

19 (5) financial incentives that may be necessary
20 for the construction of dedicated ethanol pipelines,
21 including the return on equity that sponsors of the
22 first dedicated ethanol pipelines will require to invest
23 in the pipelines;

1 (6) the quantity of ethanol production that
2 would make dedicated pipelines economically fea-
3 sible;

4 (7) technical factors that may compromise the
5 safe transportation of ethanol in pipelines;

6 (8) identifying remedial and preventative meas-
7 ures to ensure pipeline integrity; and

8 (9) such other factors as the Secretary con-
9 siders to be appropriate.

10 (d) CONFIDENTIALITY.—If a recipient of funding
11 under this section requests confidential treatment for crit-
12 ical energy infrastructure information or commercially-
13 sensitive data contained in a feasibility study submitted
14 by the recipient under subsection (b)(2)(B), the Secretary
15 shall offer to enter into a confidentiality agreement with
16 the recipient to maintain the confidentiality of the sub-
17 mitted information.

18 (e) REVIEW; REPORT.—The Secretary shall—

19 (1) review the feasibility studies submitted
20 under subsection (b)(2)(B) or carried out under sub-
21 section (b)(1)(B); and

22 (2) not later than 15 months after the date of
23 enactment of this Act, submit to Congress a report
24 that includes—

1 (A) information about the potential bene-
2 fits of constructing dedicated ethanol pipelines;
3 and

4 (B) recommendations for legislation that
5 could help provide for the construction of dedi-
6 cated ethanol pipelines.

7 **SEC. 5. EXISTING PIPELINE TECHNICAL AND SAFETY RE-**
8 **SEARCH AND DEVELOPMENT.**

9 (a) IN GENERAL.—The Secretary, in coordination
10 with the Secretary of Transportation, shall expend up to
11 \$1,000,000 to carry out a program of research, develop-
12 ment, and demonstration to address technical factors that
13 prevent the transportation of ethanol and biodiesel in ex-
14 isting hazardous liquid interstate transmission pipelines.

15 (b) CONDUCT OF STUDIES.—

16 (1) IN GENERAL.—The Secretary shall—

17 (A) through a competitive solicitation proc-
18 ess, select 1 or more firms having capabilities in
19 the planning, development, construction, and
20 modification of existing hazardous liquids inter-
21 state pipelines to carry out the program de-
22 scribed in subsection (a); or

23 (B) carry out the program in conjunction
24 with such firms.

25 (2) TIMING.—

1 (A) IN GENERAL.—If the Secretary elects
2 to select 1 or more firms under paragraph
3 (1)(A), the Secretary shall award funding under
4 this section not later than 120 days after the
5 date of enactment of this Act.

6 (B) STUDIES.—As a condition of receiving
7 funds under this section, a recipient of funding
8 shall agree to submit to the Secretary a com-
9 pleted report on the recipient's findings not
10 later than 360 days after the date of enactment
11 of this Act.

12 (c) PROGRAM ELEMENTS.—The program shall in-
13 clude research, development, and demonstration activities
14 related to—

15 (1) identifying and preventing conditions that
16 lead to stress corrosion cracking or that might oth-
17 erwise compromise the integrity of the pipeline sys-
18 tem;

19 (2) product quality assurance during pipeline
20 transportation; and

21 (3) other technical factors for the transpor-
22 tation of ethanol and biodiesel that might com-
23 promise the integrity of the pipeline system.

24 (d) CONFIDENTIALITY.—If a recipient of funding
25 under this section requests confidential treatment for crit-

1 ical energy infrastructure information or commercially-
2 sensitive data contained in a report submitted by the re-
3 cipient under subsection (b)(2)(B), the Secretary shall
4 offer to enter into a confidentiality agreement with the re-
5 cipient to maintain the confidentiality of the submitted in-
6 formation.

7 (e) REVIEW; REPORT.—The Secretary shall—

8 (1) review the report submitted under sub-
9 section (b)(2)(B) or carried out under subsection
10 (b)(1)(B); and

11 (2) not later than 15 months after the date of
12 enactment of this Act, submit to Congress a report
13 that includes—

14 (A) information about the potential bene-
15 fits of modifying existing hazardous liquid
16 interstate transmission pipelines to allow the
17 transportation of ethanol and biodiesel; and

18 (B) recommendations for legislation that
19 could help provide for the modification of exist-
20 ing hazardous liquid interstate transmission
21 pipelines to allow the transportation of ethanol
22 and biodiesel.

1 **SEC. 6. FUNDING.**

2 (a) There are authorized to be appropriated to the
3 Secretary to carry out section 4 of this Act \$1,000,000
4 for fiscal year 2008, to remain available until expended.

5 (b) There are authorized to be appropriated to the
6 Secretary to carry out section 5 of this Act \$1,000,000
7 for fiscal year 2008, to remain available until expended.

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